

Message Text

LIMITED OFFICIAL USE

PAGE 01 ALGIER 01869 231214Z

43

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 /102 W

----- 047967

R 231130Z AUG 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2944

INFO AMEMBASSY STOCKHOLM

LIMITED OFFICIAL USE ALGIERS 1869

E.O. 11652: N/A

TAGS: ENRG, AG, SW

SUBJECT: ALGERIAN OIL BARTER DEALS

REF: ALGIERS 1844

1. OFFICIAL DAILY EL MOUDJAHID CARRIES BRIEF REPORT AUG. 20 OF MAJOR OIL BARTER DEAL CONCLUDED BETWEEN TWO ALGERIAN NATIONAL CORPORATIONS AND VOLVO OF SWEDEN. ACCORDING TO REPORT, SONACOME SIGNED CONTRACT AUG. 14 WITH VOLVO FOR SALE OF INDUSTRIAL VEHICLES. A PARALLEL CONTRACT WAS SIGNED ON SAME DATE BETWEEN VOLVO AND SONATRACH FOR PURCHASE OF 370,000 TONS OF ALGERIAN CRUDE OIL.

2. SWEDISH EMBASSY SOURCE ADDED THAT CONTRACT WAS FOR PURCHASE OF 1,200 TRUCKS, VALUED AT APPROXIMATELY \$35 MILLION. ONE OF STICKING POINTS ON DEAL, ACCORDING TO SOURCE, WAS ALGERIAN INSISTENCE THAT OIL NOT BE SOLD BY VOLVO ON SPOT MARKET, AND VOLVO FINALLY AGREED THAT OIL WOULD BE USED WITHIN SWEDEN. THIS APPARENTLY WILL CAUSE SOME STORAGE PROBLEMS FOR SWEDES, BUT ACCORDING SOURCE, LAID-UP TANKERS WILL PROBABLY BE USED AS TEMPORARY STORAGE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ALGIER 01869 231214Z

SPACE. NO DETAILS AVAILABLE AS TO WHEN ALGERIANS WILL

DELIVER OIL.

3. RECENT VOLVO DEAL FITS INCREASINGLY CLEAR PATTERN OF ALGERIAN WILLINGNESS TO ENGAGE IN BARTER DEALS. REFTEL REPORTS MAJOR U.S. BARTER DEAL UNDER NEGOTIATION AT PRESENT AND OTHER SUCH DEALS EMBASSY HAS LEARNED OF. AS BACKGROUND TO THESE DEALS, EMBASSY INFORMED THAT AS WORLD DEMAND FELL OFF IN 1974, ALGERIANS REDUCED OIL PRODUCTION. DURING WINTER MONTHS (1974-75), DIVISION OF SONATRACH IN CHARGE OF CONSERVATION TOOK OPPORTUNITY OF REDUCED PRODUCTION LEVEL TO SHUT-IN NUMBER OF WELLS AS PART OF PROGRAM TO MAINTAIN MORE EFFECTIVELY PRESSURE IN OIL FIELDS. CONCEPT OF BARTER DEALS, HOWEVER, BEGAN TO TAKE HOLD IN SPRING, AND BY EARLY MAY SONATRACH HAD GIVEN ORDERS FOR RESUMPTION MAXIMUM OIL PRODUCTION. ACCORDING TO FRENCH PETROLEUM ATTACHE, ABOUT ONE-SIXTH OF ALGERIAN PRODUCTION IN JUNE AS SOLD UNDER BARTER DEALS. PARKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, PROCUREMENT, PETROLEUM
Control Number: n/a
Copy: SINGLE
Draft Date: 23 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ALGIER01869
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750292-1096
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750822/aaaaatkp.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 ALGIERS 1844
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUN 2003 by KelleyW0>; APPROVED <10 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ALGERIAN OIL BARTER DEALS
TAGS: ENRG, AG, SW
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006